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TAGS: [PARM](#) [PREL](#) [PUNE](#) [ENRG](#) [TRGY](#) [KNNP](#) [RU](#) [JA](#)
SUBJECT: JAPAN-RUSSIA NUCLEAR COOPERATION AGREEMENT AIMED
AT ENRICHMENT, SAFEGUARDS

Classified By: EMIN Robert F. Cekuta, Reasons 1.4 (B) and (D)

¶1. (C) Summary: Japan's goal in concluding its recently signed nuclear cooperation agreement with Russia is to acquire fuel services, both to supply domestic needs and to permit Japanese companies to sell reactors with fuel contracts. The GOJ is pleased with the Russian concessions to submit some facilities to IAEA safeguards. End summary.

¶2. (SBU) Econoff and DOE attache met Ministry of Foreign Affairs (MOFA) International Nuclear Cooperation Division Principal Deputy Director Zentaro Naganuma June 26 to discuss the Japan-Russia nuclear cooperation agreement. Naganuma noted time constraints had prevented MOFA Director General for Disarmament, Nonproliferation, and Science Toshio Sano from fully describing the agreement during his June 18 meetings in Washington, and so Naganuma wanted to provide a more detailed summary.

¶3. (C) Naganuma reported the GOJ had expended significant effort to achieve an agreement with strict non-proliferation clauses. All items connected with the new nuclear cooperation agreement transferred from Japan to Russia are to be placed only at IAEA eligible facilities and at IAEA selected facilities if possible. If an eligible facility cannot be found for any given set of materials, the governments will take supplementary measures, e.g., material substitution, to ensure an equivalent amount of material remains under safeguards. Furthermore, the existence of at least one selected facility in Russia is required for any cooperation to begin. Naganuma said discussions are underway about which facility Russia would make eligible and noted it might be Angarsk International Center. Naganuma noted MOFA would not submit the agreement to the Diet for ratification until Russia had selected an eligible facility.

¶4. (C) The agreement also contains provisions related to retransfer. All items subject to the agreement are not to be retransferred without written consent. In the event of a violation by either Russian government or corporate entities, Japan is authorized to stop cooperation. Naganuma said the GOJ felt the concessions extracted from Russia are "strict", but Russia was so enthusiastic to begin cooperation that it accepted the Japanese requirements.

Enrichment services, not joint enrichment, the goal

¶5. (C) Naganuma said cooperation in the front end of the nuclear cycle will be useful for Japanese companies, which need to increase fuel imports and want to buy enrichment services from Russia. Also, if Japanese companies sell reactors to third countries, those countries may want an

integrated package containing fuel services, which means Japan might again benefit from Russian enrichment services. Regarding whether future Japanese nuclear power plant contracts would include fuel services, Naganuma noted it is an option, one Toshiba is considering.

¶6. (C) Recent press reports predicting joint enrichment projects are not based on a correct understanding of the agreement, Naganuma said. Under the agreement, transfers of enrichment and reprocessing technology or equipment are prohibited. When pressed for details, he conceded Japanese companies could still invest in Russian enrichment projects and create joint ventures, but such cooperation would be limited to financial support. Regarding press reports suggesting Japan and Russia will build a joint enrichment plant in a third country, Naganuma said it would be "ridiculous" to build such a facility, but in any event, that kind of effort would be beyond the scope of the agreement.
ZUMWALT